



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 12/16/2004

GAIN Report Number: CS4016

Costa Rica

Grain and Feed

Rice Situation

2004

Approved by:

Katherine Nishiura, Agricultural Attache
FAS San Jose

Prepared by:

Victor Gonzalez, Agricultural Specialist

Report Highlights:

Costa Rica is expected to import approximately 140,000 MT of rough rice during crop year 2004/2005. Roughly 60,000 tons were imported in November. Imports are expected to resume in February or March of 2005 depending on stock levels.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
San Jose [CS1]
[CS]

Costa Rica Rice Situation Update

Costa Rica is expected to import about 140,000 MT of rough rice during the July 2004/June 2005 marketing year. Two shipments totaling 60,197 tons arrived at the end of November from the U.S. Additional imports are expected to be made next year starting in February or March, depending on stock levels at the end of December. Other suppliers (Argentina and Uruguay) are expected to participate in the bidding process next year.

Costa Rica annually sets a shortage "quota" to meet domestic demand for rice. Under normal circumstances, imports under this quota enter the country at zero duty and the Rice Corporation (CONARROZ) is the sole entity permitted to bring the commodity into the country within the quota. This quota has been initially set at 98,559 MT, but will likely get extended to include another 41,500 MT next year.

The 60,197 MT were imported by two different private sector groups of millers, one of which included a retailer. The quantity was deducted from the quota for volume purposes, but in this case since the rice was imported by the private sector and not by the Rice Corporation, it was assessed a 35% duty and a price safeguard duty that varies according to the export price of the rice. The remaining import volume will be imported by the Rice Corporation at zero duty and will fall under the shortage volume or quota determined by the government.

The following table shows Costa Rica's area planted to rice and production for the most recent marketing years as well as the estimate for the current one:

| Marketing Year | Area planted (ha) | Production (MT, milled equivalent) |
|----------------|-------------------|------------------------------------|
| 2002/2003 | 48,933 | 122,595 |
| 2003/2004 | 50,428 | 122,053 |
| 2004/2005 | 57,000 | 130,333 |

Although area planted is forecast to be higher this period, the yield is expected to decline as a result of the *Steneotarsonemus spinki*, a mite that attacks the grain during its first stages of growth. The damage caused by the mite is not apparent until harvest time. According to the Rice Corporation, yields in the two largest production areas in the country (the Northern and Southern Pacific) are expected to decline 26 and 21 percent, respectively, as a result of the damage caused by the mite. The Rice Corporation and the Ministry of Agriculture are working with producers to mitigate and control the problem. However, most of the available controls are biological and cultural in nature since chemicals are not very effective in controlling the mite.

Costa Rica consumes approximately 220,000 MT of rice per year, of which 55-60% is local production and the rest is imported. Millers generally maintain stocks to cover at least two months (36,000 MT) worth of consumption at any given time since rice is a basic staple in the Costa Rican's diet.